

Committee on Ways and Means

H.R. 6408, Tax Relief and Health Care Act of 2006

Outpatient Therapy Services

- The *Deficit Reduction Act of 2005* (DRA) implemented limits on therapy services by creating an exceptions process. However, the reason for developing the therapy caps – overutilization of unnecessary therapy services – continue to exist.
- The DRA provision allowed the caps to take effect. To ensure that beneficiaries who needed extensive therapy received the care they needed, the DRA required the Centers for Medicare & Medicaid Services (CMS) to create an exceptions process that permits beneficiaries to request additional, medically necessary therapy services.
- The exceptions process required CMS to determine if additional services were medically appropriate and required CMS to respond within 10 days. If CMS did not respond, the additional services were presumed to be appropriate and were reimbursed.
- To date, the exceptions process has provided those beneficiaries who need extensive therapy to receive those services. It has also allowed CMS to collect initial data to determine the appropriate number of therapy services needed based on a beneficiary's condition.
- The *Tax Relief and Health Care Act of 2006* provides a one-year extension of the exceptions process for therapy services so beneficiaries can continue to receive needed therapy.